The Industrial Labour Welfare Association Ltd.,
COIMBATORE.

Presidential Address by

Sri R. VENKATASWAMY NAIDU,
Managing Agent, Radhakrishna Mills, Peelamedu,
Coimbatore

Speech by

Sri BATTACHARYA,
Marketing Development Officer, Fruitnik Products,
Directorate of Marketing and Inspection,
Southern Region, Madras,

Inaugural Address by

Sri R. VENKATARAMAN,
Minister for Industries, Madras,

at the inauguration of

Bottling Unit of
FRUITNIK PRODUCTS INDUSTRY COIMBATORE

on 8—9—1963

at

Gopal Bagh, Avanashi Road, Coimbatore.

Speech by

Sri R. Venkataswamy Naidu,

Managing Agent, Radhakrishna Mills, Peelamedu,
Coimbatore.

Hon'ble Sir and Friends,

I feel very happy to be associated with this pleasant function and also when our Hon'ble Minister is able to spare a few minutes in Coimbatore for this function. Our Hon'ble Minister is not new to us. His ideas are very well known to us. He has been in his usual rounds looking into the progress, and development of the big industries in the State yesterday. He was at Photo Films. Last night he was with me in South India Viscose and this morning I find him here inaugurating the Small Scale Industry. He is as much interested in the big Industry as in the Small Industry. Nobody can deny that the potential employment of any country can only be on a massive scale by the development of mechanised Cottage Industries. I want to thank you, Sir, for pulling our State ahead in India in the development of Small Scale Industries. I have seen you criticising the "Industrial Development and Regulation

Act." Where the Government by its Red-tapism and other methods is not really helpful in promoting this Small Scale Industry which is of very national great importance. I hope your efforts will prove a great success and see that the Governmental machine does not interfere with a small man who is not dependent on foreign exchange, who is able to get his equipment manufactured in our own country and who is able to get his raw materials without the assistance of the Government. In these instances, Government should be broad minded and allow as many small entrepreneurs to enter our industrial section. Otherwise we cannot hope to have this industry in a very massive scale established all over the State, particularly in the sectors where there is not much development. I would also like to suggest to our minister that where the districts are underdeveloped there should be a relaxation to a greater extent, of the "Industrial Regulation Act" for the promotion of Indstries, if you the entrepreneurs are going to take risks in those regions. I believe our Minister is already focussing his attention and trying to help to get licences from the Central Government for the development of the backward areas. But I still feel, that there is plenty of scope for many entrepreneurs who are looking for putting a little capital

and trying to develop, not only for themselves but also for areas, where they have some interest. This Fruitnik Industry, I am very glad, has picked up and is trying to grow and spread itself. When I saw this, I remembered cocoacola of America. This cocoacola business started in a small way, spread all over the world. It is casually called coak, very prominently in States and spreading all over the world, particularly in Continent where there are other products which are equivalent to cocoacola. But still, cocoacola shows the American influence all over the world. I hope our entrepreneurs who have started with this Fruitnik product would be able to spread out and show to the other parts of India that Madras, with their Products of Fruitnik, is showing its head in every part of India. I am really glad to be associated with this inauguration ceremony and offer my full blessings for the growth and prosperity of this industry. I thank the promoters for giving me this opportunity to be with them and preside over this function. I request now Mr. Battacharya to say a few words.

Speech by

Sri. Battacharya,

Marketing development Officer, Fruitnik Products,
Directorate of Marketing and Inspection,
Southern Region, Madras.

Hon'ble Minister for Industries,
Mr. President and Friends,

Now I have come to this zone only one year back. I was in these zones some ten years back in the same capacity. But, after coming here, this time I found that this ready to serve beverages industry has taken a deeproot in these zones. Now, this habit of drinking some sort of beverages was known to us from time immemorial. As for instance, we have a custom in tender coconut juice and fresh fruit juice. But this type of ready to serve beverages containing a little quantity of juice is a recent origin or rather I should say a recent introduction in the fruit preserving industry of India. These ready to serve beverage manufacturing concerns have started only, I should say, 5 or 6 years back in different cities of the country. It was first started with mango juice. It was started by a firm in Bombay. At that time we were a little bit doubtful whether this type of beverage will find a ready market in our country.

But after working for a few years, we not only found that it took the people of Bombay as its consumers but it spread its hands in the different cities of the country, particularly in Calcutta and Delhi.

Now, as our President of this function has recently said that with this function, he remembered the Cocoacola of America and now this Cocoacola manufacturing unit, we find, practically in almost every country of the world. In our country also, as I have already told, we are accustomed in drinking these beverages. One good thing with this ready to serve beverages is that, it will be taken by practically all the people in our country. Why, I will say just now. Before that, I will say a few words regarding this fruit preservation industry. Now this fruit preservation industry in its present form of canning of fruits and vegetables are, the manufacturing of jelly quashes, marmalades and some other products. It was developed during the second World War when the British forces found that it was difficult to import this stuff in our country. Actually before the Second World War, there was this industry there. But it was in a limited extent and we were mainly engaged in the manufacture of pickles and chutnies. This canning industry - canning of fruits and vegetables

as I have told, was actually started during the Second World War. But the products of this industry had not found a wide market in our country, because these products are not at all usual things in our daily diet. As a result of this, the manufacturers, or the Industrialists who came foreward to start this industry found difficulties in selling their products and they were actually fighting to exist, not to shine like other industrialists. Well, Govt. of India came to their assistance to some extent by giving subsidy on tin plates and by giving rebate in excise duty on sugar and other things. But we could not do much. Even this rebate that we have to give on the tin container, we had to withdraw it during this emergency. But one good thing, this market is developing no doubt, but this ready to serve beverage market is developing very fast, though this section of the industry, as I have said, is a very recent origin. Only 5 or 6 years back it has come. Now in our country you will find all kinds of people even in the villages, they drink, because our country is a hot country. They drink this synthetic syrup. They drink this aerated water. Now in the synthetic syrup what we have got, we have not got anything. It is only a sugar syrup mixed with flavour and colour and I, as an official of the department,

looking after the quality control have got the experience that sometimes this synthetic syrup containing dye stuff, colour from the textile industries. Now this fruit colour is a very cheap thing in comparison with fruit colour used in fruit processing industry. Now this type of synthetic syrup and aerated water are being taken by our people throughout the length and breadth of the country and you will find that the price of this type of product is not less. A glass of such drinks in a village market or in mofussill town will cost about 3 as. where as a beverage containing 15% rouge, as Messrs "Fruitnik" is putting in the market cost only 14 n.p. In Madras city I am told it costs only 37 n.p. Now this type of beverages if you can introduce even in our remote village and in our district towns, I hope, if we can do a little bit of propaganda stating therein that it is entirely different from the synthetic syrups and other aerated waters and it contains a little quantity of fruit juice and the price is also not much, I am sure, the country mass will take to it. Now, this industry though as I told, it is of recent origin in our present fruit preservation industry, has taken, or rather it is developing very fast. It is evident from the research, we collected recently. Now in Madras itself in 1962 we have produced food products near about 1,200

tonnes. Out of that you will be glad to know that 15% of this is ready to serve beverage containing fruit products. Now this industry has actually come in 1959, so within these 3 or 4 years it has been able to capture nearly 25% of the total production in the state. So it shows that this section of the industry is developing very fast, though as I have told, the other sections which are still fighting, because they are finding difficulties in selling their products. Another good thing with this beverage manufacturing industry is that, it can be started even though raw materials are not available. Now, this firm Messrs. "Fruitnik" they do not produce their own raw materials in their factory. They purchase these raw materials from other manufacturers and then they produce their stuff. If you want to start Fruit preservation industry in any other form we generally try to start it in a place where raw materials are available. But this type of industry where basic raw materials i. e., fruit pulp, we can get in cans. We can even start it in villages and we can serve them in the village. Another thing which this section of this industry, has done to us is this, that many manufacturers who were finding difficulties in selling their mango-pulp. Mango is one of the most important fruits in our country. This mango slices in syrup, we have found, it

does not find very good market in the country, because we have mangoes in fresh form throughout the length and breadth of the country. This mango pulp also we find mainly in the hotels and restaurants. But this ready to serve beverage industry when it came into existence, sometime in 1956, it is now consuming somewhere about 25% of the total production of mango pulp. It is a great achievement in the sense, that our manufacturers who are engaged in the preparation of mango pulp are now finding an outlet for their produce and this starting of this ready to serve beverage manufacturing concern, of course, not in a gigantic scale, it can be started on a big scale like cocoacola. It can also be started in a very small scale. So the development of Small Scale Industries even in the rural areas on the basis of this industry can be easily done and as wished by our president here, this morning, I also wish that Messrs. "Fruitnik" will spread their activities not only in the State of Madras, but in the other States of the country and a time may come within 4 or 10 years and I hope it will come, when just like cocoacola they will be having their units in all the parts of the country. I wish them all success.

Speech by

Sri. R. Venkataraman,

Minister for Industries, Madras.

Mr. President, Sri Srinivasalu and Friends,

Sri Srinivasan is a clever man. He served you with sample of Fruitnik products which he is going to sell and thereby he has converted all of you even before I am asked to inaugurate this. He is also a clever person for another reason. If he had taken the Government service I think he would have been a U. D. C. But today he is one of the foremost men in the Small Scale Industry a very creditable achievement in the course of five years. His should be a sort of an object lesson for many young people to follow. He did not go about asking people what industry he can start, but applied his mind to several possibilities and then hit upon this as the most worthwhile scheme. It is the same thing with all those people who want to start small scale industries.

I once remembered about 6 years ago a person who was not literate in English came with a petition to me drafted in

English. He wanted assistance of Madras Government for setting up a shoe nail factory, based on imported machinery from Germany. After reading his petition I spoke to him in English. He said "Sir I do not know English. You speak in Tamil". Then I asked him "Why did you bring this in English you could have written to me in Tamil". He said "I got it typed by somebody" I got interested and asked him "who gave this idea that you can start a shoe nail factory" that is the nails which are used for shoeing the cattle. The man said, "Sir I was walking along in the Trichinopalli District. In one place I found hundreds of cattle being shod. Then I thought what a good Industry it will be, if I am able to make these nails. How many millions of it I can sell! Then I went and asked somebody about this and then they said it is a machine which you can import from Germany and then I have now come with my proposal". So much impressed I wrote on the very letter saying "whatever the difficulties this man should be supported and give him every facility". To-day that man is running an excellent industry in the Industrial Estate at Trichinopalli. I am saying this for the purpose of making young men feel that the opportunities are immense if only they applied their minds. One has only to look

round for all the things that one needs and then one can easily decide what he can manufacture.

Small Scale Industries generally develop from the minds of men and the more the human endeavour is put through the greater the progress in Small Scale Industries. Small Scale Industries also develop on account of the large number of components and ancillaries which are required in the major industries. To all those people who now come to me and ask for advice with regard to the Small Scale Industries, I tell them, "you visit one of the major factories. You will find out what are the things that they are using and then find out whether you cannot make it and give it to them" so that the large scale factories can merely concentrate on production of the heavy items and the smaller items can be formed out from the Small Scale Industry". Even in the automobile industry, you are aware that the Small Scale Industry plays a very significant role for the automobile factory at Detroit. I was told that there are as many as 19,000 contractors manufacturing 5000 different parts and what is called a big automobile factory is in fact only an assembling factory. They get all these things from others and assemble them into a big unit.

So it is up to our young men to concentrate and find out the immense opportunities that today exist, for going into small scale industries and it is this that Srinivasalu has done and he has hit on a new line because it was new at the time of his starting. Now a large number of people have come into the field.

In Western Countries very few people take aerated beverages, except when they drink whisky and soda. I do not think they go very much for this aerated drink. There is a large and immense variety of fruit drinks, bottled or tinned which are served in the whole of Western Countries. In fact a man feeling thirsty, does not take a cup of water. He thinks of taking a cup of fruit juice thereby he adds a little vitamin to his health and he is able to live a life of higher standard than if he merely took to ordinary water. This industry has developed in all countries where even natural facilities do not exist. In those countries where there is non-availability of large quantities of fruits, even there they have developed fruit juices by importing from other countries fruit juices and preserved fruits and then turning it into fruit drink. Fortunately for us in India, we have a wide variety of fruits available and if only we can turn them to process,

we can develop a variety of fruit drinks that will be very healthy as well as pleasing to the taste. I would particularly mention in this connection that some people may come foreward to utilise the large quantities of grapes which are being produced in the Kodaikanal-Dindigul area, most of them are taken and sold and during the season, much of it is wasted. If only we could have an industry based on the grapes, available in the Kodaikanal area, in the Dindigul area, in the Palni area, I think there is an immense scope for an excellent fruit based industry. We should also try to preserve many of our fruits like our goa, mangoes and jack fruit and so on. These have such an erotic taste that it is likely to be attractive to the foreigners and they might also buy in large quantities.

There is only one serious limitation in respect of the fruit preservation and fruit drink industry. A very high degree of hygienic condition is required for them. If there is any laxity in the conditions of sanitation, then not only the products but the country's reputation will go. Therefore it is very necessary that we should maintain a very high degree of hygienic conditions for this industry. Fortunately for us the Government of India have appointed a number of officers for fruit preservation

and fruit development and they are giving every assistance possible for the development of this type of industry. I know the successive fruit development and marketing officers in Madras have gone out of the way to go to the houses of the people, look at their buildings, suggest improvements, suggest the various equipment that have got to be purchased or manufactured and thereby help a number of small industries to come up. During the last five years, I know in Madras City alone, there are about 17 or 18 fruit drink producers and this is one of the industries which can be started with as low a capital as Rs. 2000 and as heavy a capital as 20 lakhs of rupees. Small units which can produce about 100 bottles a day can be started with Rs. 2000 as capital and if one did not mind taking it himself and selling it to some of the shops, the person will be able to make a living. I personally asked one of the poor congress workers who was down and out to take it and then I myself went to inaugurate that small unit where the investment was only Rs. 2000. Six months later the man came and told me that he was making as much as 100 rupees a month on this and on 20 lakhs of rupees you can have both the fruit preservation, the fruit juice extraction as well as the bottling unit. Therefore this is the one industry within the reach of

every person. All that you require is electricity, good hygienic water and then somebody else for making essences for you and you can have it. The habit of taking aerated will automatically get itself replaced as it has been in other countries. They will not continue to take this aerated water, because the aerated water does not give you any stamina, any vitamin, and does not contain any good value in it, whereas in fruit drinks there is always a 15% fruit juice in it and therefore it adds to your diet, it adds to your vitamin and thereby helps the growth of the body.

I have every confidence that this "Fruitnik Product" will expand not only in Coimbatore but also throughout the State as well as throughout the country. Only I am surprised that the Coimbatore people have been out distanced by Madras man coming and starting such valuable important industry. I hope in every district head-quarters you will have a unit of this kind - not only one but many of this kind- so that people's habit may change.

You know, after the advent of prohibition, tea drinking has grown very much. It cannot be denied. Most of the factory labourers today are taking tea. Now instead

of taking tea if they would take to fruit drink, it will certainly improve their health and it is not beyond their capacity. Certainly they can take to it and they will in a large measure improve their health and also their stamina by taking this type of drink. I am saying this to show that there is an immense possibility for the development of the industry.

On this occasion I want to refer to a matter which Sri Venkataswamy touched. The innumerable restrictions that have been fastened on the development of industry may have been justified at the time when we wanted to divert and diversify industries into several fields. The Industries Regulation and Development Act has certainly helped people to go into new industries. By refusing textile mill licences we have compelled many people to go into engineering industries, Chemical industries and so on. The licensing policy of the Government of India has really helped the people to diversify the industries and go and seek new channels of development, so that the industry does not become lopsided and overweighted only in one particular direction, but it is able to spread into various other fields. I am happy to say in the last 10 years, this policy has borne

fairly good results and a large number of industries have now sprung up. The chemical industries in Madras State, the engineering industries in Madras State, there are a number of units which have now come. In fact Madras State can boast of having almost every type of conceivable industry. In the manufacture of automobile ancillaries it stands foremost 70 to 75% of the ancillaries and components required for the automobile industry is manufactured in the Madras State. Now all this is good so far as it goes. But then just because something has been good in the past, we should not become dogmatic and then say it will continue to be good in the present and also continue to be good in the future. In my view the time has come when a review of the industrial licensing policy has almost become imminent and necessary. I do not see why after all the development that has taken place in the last 15 years, we should require any licence for a person to start an industry in which no foreign exchange is involved. Whether there is a small scale industry or large scale industry it does not matter. If a person can start an industry without any foreign exchange, then that person must have a fundamental right to start the industry. Governments can intervene only when their resources are taxed and they are compelled to find the

foreign exchange required for the development of that industry. But where a person does not come in for any assistance from the Government, he should have a free hand to start any industry. A number of people who are obliged to go and bang at the doors of various authorities for getting a licence, get so sick of it that they are beginning to divert their attention from the industry itself. I do not think that it is any longer necessary to have all these restrictive regulations with regard to development and starting of industries in which no foreign exchange is involved. I am quite sure that Chamber of Commerce, the Federation of Chambers of Commerce at Delhi, the various chambers of commerce at State level and district level would exert their pressure in this direction, there would be some useful results. It is just because opinions are expressed at various places but are not persued by the concerned institutions that some of these ideas do not permeate the official level in Delhi. The only objection that can be raised against this proposition would be the objection of unemployment of large development wing officers. I do think, even they can be employed, because they can constitute themselves in the research service and give help and assistance to the industry wherever such research services are required.

In Madras we are trying to give a skeleton service of this kind. We are appointing in the next few days an industrial consultant. He has been a senior officer in the development wing of the Government of India with considerable experience in machinery and engineering and being a competent man himself, he will be able to give assistance in other matters also.

You see a lawyer is one who does not know all the law, but he is a person who knows where to seek and find the law. Similarly an industrialist is not a person who knows everything about the industry, but he has the competence, the managerial skill to get all the assistance from the people who can give it. The industrial consultant we are going to appoint will be one such who will be able to give the necessary assistance by getting it from various places and then channelling it for productive use. I do hope that his service will prove very helpful and very effective. In the similar way the Development wing which is today calculating an imaginary factual data how far the demand is possible and likely to be in the near future. It is a thing which nobody in the world has ever been able to calculate and find and then say either the capacity is exhausted or still

open. These are all things which should be left to the market itself. No man will go into a production where there is a surplus. Whether a person to go into a line or not is to be determined by the person himself, because he is going to invest the money and he must be sure of the results of the investment he makes. There is far greater wisdom in the man who is investing the money than in the man who has all the wisdom and then says whether you should invest or not. The man that advises is not likely to have all that wisdom which the man who is going to risk all his money he is going to have.

Therefore I feel that the time must come when we should now allow a free development of industries based on the common-sense and on a entrepreneual ability of the industrialists themselves without being hampered by various licensing laws and regulations. This is not to say that there should be no restrictions at all, or no regulation at all. Certainly we must have the Factory Act. Certainly we must have the health and hygienic regulations. But they are all necessary in the interest of the industry and in the interest of public. But whether these industries should be started or not should be left entirely to the individual who is going to

risk his capital and I hope this will be taken up by the industry as well as the chambers of commerce in the future meetings.

I have very great pleasure in inaugurating the Coimbatore unit of the "Fruitnik" and wish them all success and prosperity.

Printed at

U. M. S. POWER PRESS,
COIMBATORE.